Montana State Planning Grant Continuation Application:

Creating Successful Strategies to Increase Access to Health Care Coverage by 2012

Competing Continuation Application

March 2005

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Budget Justification

LINE ITEM BUDGET AND NARRATIVE JUSTIFICATION	COST	IN-KIND
Personnel		
Oversight and Management		
Grant Director: Margaret Bullock – 1500 hours @ $50 per hour, approximately 75% time.	$75,000	
DPHHS will hire Maggie Bullock to serve as grant director. She will manage and direct project activities and make recommendations to the DPHHS project liaison and the SPG Advisory Committee. This will include managing SPG contracts for data collection and analysis and policy analysis work. She will be responsible for ensuring communication and collaboration with DPHHS, other State agencies, contractors, the Advisory Committee, project work team members, and other critical players in the public and private sector. She will work with the Advisory Committee and project work team to ensure grant activities are accomplished on a timely basis and within budget. She will also oversee the work of a contracted administrative assistant. As in the past, grant coordinator will develop a system to track information for inclusion in the report to the Department throughout the grant period. She will prepare the report to the Department, gathering necessary information and documentation from SPG project team members, contractors, and the Advisory Committee.		
Project Liaison: Jane Smilie – 208 hours @ $35 per hour, approximately 10% time.		$7,280
Jane Smilie will serve as the Project Liaison for DPHHS and will be accountable and responsible for the overall project. As the current administrator of the Public Health and Safety Division (PHSD), one of 10 DPHHS divisions, she administers the state's public health programs. Ms. Smilie holds a Master's Degree in Public Health and has 24 years experience in Montana state government, with 15 years in the DPHHS. She has extensive experience managing large grants and projects, has served as a health service planner, and has worked with a wide variety of health care and public health providers and community-based organizations.		
Key project team members:		
Data Collection and Analysis Lead: Joanne Oreskovich – 208 hours @ $24.40 per hour, approximately 10% time.		$5,075

LINE ITEM BUDGET AND NARRATIVE JUSTIFICATION	COST	IN-KIND
Dr. Joanne Oreskovich will serve as the project's lead on data collection and analysis. She served on the first SPG Data Team and is the DPHHS administrator of the Multi-state Integrated Database (MSID) which houses the results of the Montana household survey completed in 2003. Dr. Oreskovich is the Supervisor of the Health Planning Section of the Public Health System Improvement and Preparedness Bureau. She also is the Director of the Behavioral Risk Factor Surveillance System (BRFSS) and provides epidemiology support to a number of DPHHS programs. She has a wealth of experience in survey research and a variety of qualitative and quantitative research methodologies.		
Health Insurance Lead: Russell Hill – 120 hours @ $23 per hour.		$2,760
Russell Hill will serve as a key member of the SPG Project Team bringing expertise on the health insurance industry. Russ is a member of the Office of Planning, Coordination and Analysis (OPCA) within DPHHS. The OPCA is part of the Director's office and will help to coordinate SPG activities among the different divisions in DPHHS, as well as provide analytical assistance.		
Former SPG Grant Director: Kelly Moorse – 120 hours @ $19.19 per hour.		$2,302
Kelly Moorse, who served as grant director during the first funding cycle of the SPG, is now a permanent employee of DPHHS and serves as its Long Term Care Ombudsperson. She will serve as a key SPG project team member to provide continuity and continued forward progress with SPG activities.		
Administrative Assistant: contract with Express Personnel Temporary Services @$15.64/hr x 1040 hours, (.5 FTE).	$17,000	
The administrative assistant will maintain all grant documentation; provide logistical support for all Advisory Committee and Project Team meetings, including travel arrangements, meeting rooms, meeting notices, minutes, etc. In addition, the position will provide general office management and secretarial services, including word processing and communication activities.		
Total Personnel	**$92,000**	**$17,417**
Indirect Costs		
Cost Allocation Plan for Montana DPHHS is attached at the end of the budget justification, *page 13.*	$10,500	
Total Indirect Costs	**$10,500**	

LINE ITEM BUDGET AND NARRATIVE JUSTIFICATION	COST	IN-KIND
Travel		
Out of State: Includes travel for two people (the Grant Director and a Project Team or Advisory Council member) to attend four (two day) SPG grantee meetings in Bethesda/Washington DC area includes: Per Diem x 4 days @ $28 per day = $112 Three nights lodging @ $189 = $567 Airfare @ $750 and Ground transportation @ $50 (Travel from Montana necessarily includes 2 days devoted solely to traveling.) Approximately $1479 per person per trip	$11,832	
In State: The SPG Advisory Committee is comprised of 20 members from across the state. The Committee will meet every other month during the grant period (six times), as well as holding four public meetings to solicit input on Montana's Strategic Health Care Coverage Plan for the Year 2012 that describes current statewide health care coverage characteristics and outlines the Advisory Committee's policy recommendations of the SPG Advisory Committee includes: Per Diem x 2 days @ $23 per day = $64 One night lodging @ $64.20 Average of 250 miles @ $.405 per mile = $101.25 Approximately $229.45 per member traveling (estimating 10 members traveling) Cost of 2-day meeting = $2294.50 x 10 meetings	$22,945	
Equipment		
A laptop and computer for the Grant Director and Administrative Assistant were purchased with the initial SPG. This equipment will continue to be used.	$0	
Supplies		
Standard DPHHS allowance @ $25 per month x 12 x 1.25 employees	$375	
Contractual		
Contractor: University of Montana-Missoula, Bureau of Business and Economic Research (BBER).	$40,000	

LINE ITEM BUDGET AND NARRATIVE JUSTIFICATION	COST	IN-KIND
The BBER will conduct a follow-up survey of 520 employer respondents to the 2003 Employer Survey conducted as part of the initial SPG. This will create a longitudinal dataset to measure changes in employer-based coverage over time. BBER will work with the Behavioral Risk Factors Surveillance System (BRFSS) to add an additional sample of approximately 500 employers to address specific employer subpopulation categories and insurance/policy concerns to meet the Department of Public Health and Humans Services (DPHHS) informational needs. The second component of the BBER contract will assist DPHHS and the Department of Labor and Industry (DOLI) in creating and maintaining a sustainable source of data on employer-based health care coverage in the state of Montana as part of the Montana Employee Benefit survey. An additional sample of employers will be selected using a list-based, stratified, random selection process. The sample will again be stratified by number of employees to make sure very small firms do not dominate the sample; however, self-employed individuals will also be part of this sample. BBER will obtain the sample list from the Montana Department of Labor and Industry and if possible, the Department of Revenue (using Schedule C – self-employed businesses). The size of the sample will be sufficient to obtain at least 500 completed interviews that will yield a sampling error rate of +/- five percent.		
Contractor: University of Minnesota, State Health Access Data Assistance Center (SHADAC), Division of Health Services Research and Policy, School of Public Health. SHADAC will provide expert consultation and feedback at the request of DPHHS personnel related to Goal 3: assessing the impact of specific initiatives, and Goal 4: creating an action plan for increased access. SHADAC will work with DPHHS to provide technical assistance and expert consultation at the request and direction of DPHHS. SHADAC will: 1. Design and develop operational evaluation measures to assess the quality and merit of program interventions. 2. Identify additional states similar to Montana and facilitate a teleconference for exchange of ideas and information sharing related to project goals. We will develop a plan for ongoing collaboration if there is interest. 3. Provide review and advice on composition and content of Montana Report to the HRSA Secretary on continuation grant activities. 4. Participate in a Montana community meeting to provide	$53,681	

LINE ITEM BUDGET AND NARRATIVE JUSTIFICATION	COST	IN-KIND
expert opinion and analysis of the policy and coverage issues. 5. Collaborate with project personnel in developing health insurance items for inclusion in the Montana Behavioral Risk Factor Surveillance System (BRFSS) survey.		
Contractor: ORC Macro, Burlington, Vermont. DPHHS staff will develop a specific State-added health care access and utilization module that will be added to Montana's on-going Behavior Risk Factor Surveillance System (BRFSS) to gain additional information about employment, health care coverage, health status, access to care and other issues to be identified. ORC Macro conducts Montana's survey, along with that of 12 other states. Montana's sample size is 5,000 and this data source will be able to identify trends in prevalence estimates over time on these issues. We anticipate adding 20 questions at a cost of $1,000 per question.	$20,000	
Other		
Monthly rent, grounds, janitorial, phone, photocopying and shipping charges @ $374 month for 1.25 employees	$5,610	
Meeting room charges for 10 (2 day) meetings of Advisory Committee meetings and public input @ $500 per meeting	$5,000	
Two hour interactive video conference at 13 sites @ $80/hr. plus $15/site to receive public comment	$2,275	
Printing of Montana's Strategic Health Care Coverage Plan for the Year 2012, 500 copies @ $4 per copy	$2,000	
Total Direct Costs	**$255,718**	
Total In-Kind		**$17,417**
Total Indirect Costs	**$10,500**	
Total Direct and Indirect Costs	**$266,218**	**$17,417**

Staffing Plan and Personnel Requirements

A staffing plan including education and experience qualifications of the key personnel assigned to work on this SPG project are referenced in the biographical sketches follow and are also summarized in *on page 62:*

Cost Allocation sheet goes here

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BIOSKETCH 2 of 3

JOB DESCRIPTION

Administrative Assistant

Job Summary:

Provides administrative support to a designated manager or project director.

Duties and Responsibilities:

- Performs typing and transcription duties as required,
- Establishes procedures that implement operational and/or fiscal policies,
- Interprets policies and procedures as established by superiors,
- Compiles data of operating unit programs, policies, and procedures,
- Drafts financial, statistical, narrative, and/or other reports as requested,
- Provides authoritative information that tends to establish precedents and which may commit a unit or superior to a policy or course of action,
- Composes reports and correspondence containing decisions of designated manager,
- Arranges, participates in, and implements, as directed, conferences and committee meetings,
- Coordinates and provides semiprofessional service for staff meetings, board meetings, committees, etc.,
- Signs in behalf of superior, as delegated, his or her name to correspondence, requisitions, vouchers, and other forms of consequence, and
- Performs related duties as assigned.

Knowledge, Skills, and Abilities:

- Ability to accurately deal with difficult dictation.
- Ability to perform difficult typing/word processing duties.
- Administrative ability.
- Supervisory ability.
- Community college graduation (or equivalent) in appropriate field.
- Five (5) years of clerical experience, three (3) of which must have included supervision, organization, coordination, and performance of duties at a responsible level.

Additional Desirable Qualifications:

- University graduation in business administration.
- Clerical and supervisory/administrative experience beyond minimum required.

Federal Assurances

Federal Assurances – 1 of 2

Disclosure of Lobbing Activity Form (SF-LLL)

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Letter from Lead State Agency

PROJECT ABSTRACT

Project Title:	State Planning Grant, Competitive Continuation Application
Applicant:	Montana Department of Public Health and Human Services,
Address:	P.O. Box 4210, Helena, Montana 59604-4210;
Phone:	406-444-4141;
Email Address:	jsmilie@mt.gov

A State Planning Grant (SPG) Continuation will allow Montana to take advantage of a unique opportunity to further analyze specific characteristics of the uninsured in Montana and to evaluate policy changes and their impact on the availability of health insurance. The initial SPG allowed Montana to develop important data about the uninsured. Building upon that information, this project seeks to focus on the issue of employer-based insurance and undertake additional, more specific research into this significant component of the health insurance marketplace.

In addition, the activities proposed here will provide for an analysis of current legislative and voter passed initiatives, as well as activities of the initial SPG, and their impact on the uninsured populations in Montana. The continuation of the SPG will facilitate important research and planning at a time when additional resources for the uninsured are available.

The time is critical for this additional work, as it will allow the State to provide a significant resource to citizens, advocates, and public policy makers both in Montana and in other states.

Current Status of Access to Health Care Insurance

Roughly 1 out of every 5 Montanans is uninsured. Montana's uninsured rate has been steadily increasing since 1995 when it was 12.7%. Eight years later, in 2003, 173,000 or 19% of Montanans were without insurance; a rate that is significantly higher than the national rate of 16%. In addition to this demographic information about the uninsured population, the following information helps to further understand the "gaps" in insurance. Being uninsured is not voluntary; 90 percent of the uninsured report being unable to purchase health insurance after paying for food, clothing and shelter. Of the uninsured population, 63% were uninsured the entire year and 37% were uninsured a portion of the year. The major reason that employers do not offer health insurance to their employees is high premium costs (81%).

Earlier Efforts to Expand Access to Health Coverage

As a frontier state, Montana faces unique challenges in providing access to comprehensive primary and preventive health care. Montana has responded to these challenges by developing creative solutions to ensure there are adequate numbers of providers to deliver health care.

In order to continue implementing policy changes, the state of Montana needs to analyze the impact of the current initiatives to expand health insurance for the uninsured and develop sustainable methods to gather information about health insurance for the population in total, and information related to employer-based health insurance. This SPG will provide Montana with the financial resources to assess the effectiveness of the current initiatives and gather the specific

information needed to develop and implement new solutions to address the uninsured population problem in Montana.

Proposed Project

The over-all goal of the Limited Competition Planning Grant project is to present plans for providing access to health care insurance to all uninsured citizens of Montana. This will be accomplished through the timely completion of the following specific goals:

1) Reconvene a State Planning Grant Project Team and Advisory Committee to oversee project development and future implementation;
2) Update and re-evaluate data collected on the status of health insurance coverage from Montana's initial State Planning Grant and create a sustainable source of information to enhance the State's knowledge of the uninsured;
3) Conduct a comprehensive and coordinated assessment and analysis of the impact of specific initiatives to expand access to health care coverage that have been implemented since the initial State Planning Grant;
4) The State Planning Grant Advisory Committee will create a comprehensive plan with specific short- and long-term actions that will lead to accessibility of affordable high quality health care coverage for all Montanans by the Year 2012; and
5) Prepare and submit a report to the Secretary of Health and Human Services (HHS) describing the project findings.

Lead Agency and Collaborating Partners

Governor Brian Schweitzer will provide political leadership and support to the continuation of Montana's State Planning Grant (SPG) to increase access to health care coverage. State Auditor and Insurance Commissioner John Morrison and the Department of Labor and Industry have signed on as co-collaborators in this effort, and legislative leaders have expressed their support and intention to participate in grant activities

The Governor has designated the Montana Department of Public Health and Human Services (DPHHS) to continue as the lead agency to maintain direction and oversight for the project.

Projected Results

Montana's project goals directly support the SPG goal of encouraging states to provide access to affordable health care coverage for all citizens. This funding will provide the resources needed to develop a sustainable system to continuously monitor the health insurance status of Montanans and the status of employer-based health insurance and to evaluate the results of the policies and programs the State implements to expand coverage. It will also allow the State to analyze the impact of recent initiatives undertaken by other rural states to expand coverage and to share our successes with other states across the country. Finally, the State will reconvene an advisory committee of key stakeholders in this issue that is equipped with accurate data and a thorough analysis of current policies and programs provided through the initial SPG. This committee will develop a comprehensive plan and sustainable process to assure access for all Montanans by the Year 2012.

INTRODUCTION

Montana is the fourth largest state geographically, yet it ranks 44th in population. In 2003, the United States (U.S.) Census Bureau estimated Montana's population was 917,600.[1] Only 25 percent of Montana's population lives in metropolitan areas, making Montana the nation's *least urbanized* state.[2] Due to the rural nature of the state, Montana residents have a greater risk for *poor health care access* and an associated higher morbidity and mortality.[3]

Ethnicity and race are not widely diverse; 90 percent of Montana's population is white; Native Americans represent 6 percent; Hispanics 2 percent; and other ethnic groups make up the remaining 2 percent. Montana ranks 47th in the nation for median yearly family income ($34,375) compared to $43,527 for the U.S.[4] Montana's economy is made up primarily of small businesses; 88% of Montana's business work sites have fewer than 20 employees.[5]

Prior to the receipt of the Health Resources and Services Administration (HRSA) grant in 2002, Montana relied on data from federal or private resources to describe its uninsured population. The State Planning Grant (SPG) provided an opportunity to fill in gaps in the State's knowledge about the uninsured. Funding from the Montana State Planning Continuation Grant would provide an excellent opportunity for the State to learn more specific information about its uninsured population and plan the best strategies for expanding access to affordable health insurance coverage to all its citizens.

CURRENT STATUS OF HEALTH INSURANCE COVERAGE

Montana's uninsured rate has been steadily increasing since 1995 when it was 12.7%. Eight years later 173,000 or 19% of Montanans were without insurance[6] which is higher than the national rate of 16%.[7] Roughly 1 out of every 5 Montanans is without insurance.

Of those individuals insured, approximately 69% have private insurance, while public programs cover 31% (Medicare 19% Medicaid/CHIP 12%).[8]

Characteristics of the Uninsured. As a result of the initial State Planning Grant awarded by the Health Resource and Services Administration (HRSA) in July 2002 the state of Montana has information available on the uninsured population that has previously not been available. This information is summarized below.

1 US Census Bureau, Total Number of Residents, State data 2002-2003, U.S. 2003

2 Urban Institute and Kaiser Commission on Medicaid and the Uninsured, estimates based on pooled March 2002 and 2003, Current Population Surveys, Population Distribution by Metropolitan Status, State data 2002-2003, U.S. 2003, website: www.statehealthfacts.kff.org

3 Larson SL, Hill S. Rural-Urban Difference in Employment-Related Health Insurance. *J Rural Health*. 2005;21: page 21.

4 U.S. Census Bureau, Current Population Survey, 2001, 2002, and 2003 Annual Social and Economic Supplements, Median Household Yearly Income, 2001-2003, website: www.statehealthfacts.kff.org

5 Data from ES-202 (covered employment*) series, Compiled by Montana Department of Labor & Industry, Research & Analysis Bureau, March 2002 Data

6 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, State Planning Grant, DPHHS, February 2003

7 US Census Bureau, August 2004 CPS using 2003 data

8 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

- Children (ages 18 and under) represent 18% of the non-elderly uninsured and adults (ages 19-64) represent 82 percent.[9]
- The uninsured population is evenly split between males and females.[10]
- Fifty-five percent (55%) of the uninsured live in families with income less than 200% of the FPL.[11]
- The ethnic make up of the uninsured population is 86 percent white and 14 percent American Indian or Eskimo.[12]
- Most (77%) of the non-elderly uninsured in Montana are employed; this population is predominately self-employed or employed with firms with less than 10 employees (60%).[13]
- Most of the uninsured population has a high school degree or higher (92 percent).[14]

In addition to this demographic information about the uninsured population, the following information helps to further understand the "gaps" in insurance.

- Being uninsured is not voluntary; 90 percent of the uninsured report being unable to purchase health insurance after paying for food, clothing and shelter.[15]
- Of the uninsured population, 63% were uninsured the entire year and 37% were uninsured a portion of the year.[16]
- Employment-based insurance is the predominant source of health insurance for most Montanans, however, a significant portion (60%) of small businesses (fewer than 10 employees) do not offer insurance and only one third of those firms offer insurance to all employees.[17]
- This is compared to large employers (more than 100 employees) where 90 percent of them offer health insurance, but only half offer insurance to all employees.[18]
- The major reason that employers do not offer health insurance to their employees is high premium costs (81%).[19]

9 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

10 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

11 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

12 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

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18 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

19 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

This table reflects the average premium costs for group and individual insurance:[20]

	One person	Family
Individual Coverage	$265	$418
Employer-based Coverage	$295	$597

In order to continue implementing policy changes, the state of Montana needs to analyze the impact of the current initiatives to expand health insurance for the uninsured and develop sustainable methods to gather information about health insurance for the population in total, and information related to employer-based health insurance.

The lack of health insurance has important health and financial consequences. Many studies have documented the consequences of being uninsured and the relationship between health insurance and access to health care and medical outcomes. These effects include reduced access to care and poorer medical outcomes.[21]

The 2003 survey results from the Montana Behavioral Risk Factor Surveillance System (BRFSS) substantiates the health risks of being uninsured in Montana.[22] 13% of Montana adults reported they could not afford to see a doctor in the past year. 36% of Montanans reported that they had not had a routine checkup in the past year (since 2002).

In addition to the medical consequences of being uninsured the financial consequences can be devastating for families without health insurance. Uninsured persons are 3 times as likely to have medical debt compared to people with health insurance.[23]

Uncompensated Care — one of the consequences of having a high rate of uninsured is the amount of uncompensated care incurred by Montana hospitals and other health care providers. Most of the cost of this uncompensated care gets passed on to those who have health insurance coverage through higher charges, resulting in higher insurance premiums. Additionally, a high rate of uncompensated care makes it difficult to recruit and retain health care providers, especially in rural areas.

Montana is proud of the diversity of its health care delivery system. As a frontier state, Montana faces unique challenges in providing access to comprehensive primary and preventive health care. Montana is considered an innovator in providing rural health care. There are currently 40 critical access hospitals in Montana.

Montana has an excellent network of safety net providers who share a common mission of delivering health care to persons experiencing barriers to accessing health care. The health care safety net provides health care to a significant number of Montanans, both insured and uninsured. Montana's safety net includes: 56 Local Health Departments; 39 Rural Health Clinics; 11 Community Health Centers operating 15 sites; 5 Urban Indian Clinics; a Healthcare for the Homeless Program operating seven sites; a Migrant Health Program with seasonal sites

20 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

21 *No Health Insurance? It's Enough to Make you Sick – Scientific Research Linking the Lack of Health Coverage to Poor Health*, by the American College of Physicians-American Society of Internal Medicine,

22 Montana Behavioral Risk Factor Surveillance System, DPHHS, Public Health and Safety Division, 2003

23 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

across the State; and other providers committed to serving the underserved.[24] Indian Health Services (IHS) operates facilities on 5 of the 7 American Indian reservations in Montana; the other 2 reservations operate facilities under self-governance.

According to the 2000 Health Resources and Services Administration (HRSA) State Profiles, Montana currently has about 67 active primary care physicians per 100,000 people, which is below the estimated average of 69 in the US. To supplement the health care workforce, Physician Assistants (PAs), Nurse Practitioners and Registered Nurses (RNs) are available. In order to help address the issues related to this shortage of primary care physicians, the Department of Public Health and Human Services, with funding from HRSA, has established a Primary Care Office to help focus on matters impacting primary health care access.

Blue Cross Blue Shield of Montana (BCBSMT) is the dominant insurer in the State; they represented 50% of the accident and health premiums written. BCBSMT is currently the only carrier providing indemnity coverage for Montana's Children's Health Insurance Plan (CHIP). In November 2003 New West Health Services (the 2nd largest insurer in Montana) launched a pilot program known as the "*Bridge Plan*" to offer limited benefits those currently uninsured.

Only 47% of all Montana's private sector firms offer employer-sponsored insurance to their employees, compared to 57% nationally. Of the firms with fewer than 10 employees, only 33% offer health insurance.[25]

Government-Sponsored Insurance – Montana has made significant strides in recent years to expand public insurance programs. The following government programs provide health insurance coverage to low-income persons regardless of their pre-existing conditions:

- Children's Health Insurance Plan (CHIP) – is available to children ages birth to 18 in families with income less than 150% of the Federal Poverty Level (FPL).
- Mental Health Services Plan (MHSP) – is available to persons diagnosed with serious mental illness and emotional disturbances whose income is less than 150% of the FPL. This plan provides coverage for mental health services and prescription medications.
- Montana Comprehensive Health Association (MCHA) – Nearly 20 years ago, the Montana Legislature established the MCHA to provide access to health insurance coverage for Montana residents who are either medically uninsurable or cannot obtain insurance as a standard risk. The program is supported by participant premiums and assessments on insurers. The MCHA Portability Plan is available to Montana residents leaving insured or self-insured creditable group coverage.

The State of Montana was very fortunate to benefit from the State Planning Grant (SPG) awarded by the Health Resource and Services Administration (HRSA) in July 2002. In addition, the State benefits from national organizations like the Robert Wood Johnson Foundation's (RWJ) State Coverage Initiative (SCI) Program and the State Health Access and Data Assistance Center (SHADAC). Montana also participated in the HRSA SPG Multi-State Integrated Data Base (MSID) to enhance the State's capacity to make data-driven policy decisions and inform policy makers about health insurance options. The State is currently undertaking legislation to: (1) expand coverage in the CHIP program; (2) offer tax credits to small business that offer health

24 Montana Primary Care Association website, www.mtpca.org

25 MEPS Insurance Component Tables (Health Insurance Cost Study)- 2002

insurance; (3) offer premium assistance to low income workers of small business (to be coupled with tax credits); (4) develop a purchasing pool to be used in conjunction with the tax credits and premium assistance; (5) expand the current 1115 waiver to provide comprehensive health coverage to low income individuals with serious disabling mental illnesses; and (6) develop a low income prescription drug program for senior citizens.

EARLIER EFFORTS TO REDUCE THE NUMBER OF UNINSURED RESIDENTS

Montana is proud of the diversity of its health care delivery system. As a frontier state, Montana faces unique challenges in providing access to comprehensive primary and preventive health care. Over the past decade, Montana has responded to those challenges by developing creative solutions to ensure there are adequate numbers of providers to deliver health care.

Activities of the 1993 Legislature: Created the Montana Health Care Authority (HCA) and charged them with developing a comprehensive statewide health care reform strategy to provide all Montanans with improved access to high quality, affordable health care.[26]

1995 Legislature: Replaced the Health Care Authority with the Health Care Advisory Council (HCAC) and charged them with monitoring and evaluating incremental and market-based approaches for health care reform. It also authorized the development of a Health Care Consumer Report Card to assist health care consumers in making health care decisions. Recognized the special problem of uninsured children and provided State funding for the Caring Program for Children – a public/private partnership with Blue Cross Blue Shield of Montana targeting low-income uninsured children. The Caring Program has provided health care services to over 5,400 children since it was started and currently serves over 800 children as of October 2004.[27] Authorized State funding for the Mental Health Access Program, a statewide mental health managed care program for low-income individuals with serious mental illness and emotional disturbances, including those who are not Medicaid eligible.

1999 Legislature: Approved funding for the Montana Children's Health Insurance Plan (CHIP) to address the increasing problem of uninsured low-income children; re-authorized The Health Care Advisory Council (HCAC); and passed a bill creating a ballot issue for allocation of funds from the State's tobacco settlement to health care.

2000 Special Legislative session: Passed a bill creating a ballot issue (CI 35) for allocation of funds from the State's tobacco settlement to health care. Montana voters approved a constitutional amendment to allocate 40% of those funds to a Tobacco Settlement Trust Fund and designate that the interest from the Trust Fund be dedicated to health care and prevention programs. Legislation to implement the constitutional provision was later passed in 2001.

Montana Department of Public Health and Human Services (DPHHS) in 2000: Implemented several public/private programs to address the rising number of Montanans who were eligible for publicly-funded insurance programs but were not enrolled. Simplifications were made, including a streamlined universal application form for children's health insurance programs.

2001 Legislature: Expanded Medicaid coverage of comprehensive health benefits for women screened for breast or cervical cancer through the federal screening program; passed Senate Joint

26 *A Market-Based Sequential Health Care Reform Plan for Montana*. HCA Report, December 1994.

27 Blue Cross Blue Shield of Montana, Caring Foundation, 2005, website: http://www.caring4kidsmt.com/Caring_Programs

Resolution #22 (SJR 22) to create a Joint Subcommittee on Health Care and Health Insurance to study the issue of health care and health insurance costs and develop recommendations for the 2003 Legislature to address identified problems. Central to the concerns of the subcommittee were the rising cost of health care and health insurance, and Montana's higher-than-average rate of people with no health insurance; and passed two bills affecting the Montana Comprehensive Health Association (MCHA). The findings were later summarized in a report provided to Montana's Congressional Delegation, the Governor, and the Legislative Sub-Committee studying Health Care and Health Insurance.[28]

The Governor held a Governor's Health Care Summit inviting the members of Montana's congressional delegation, State legislators, public policy officials, and representatives from the health care, business, and advocacy, and insurance communities to comment on federal/state proposals and to offer ideas addressing the high cost of health care and the large number of Montanans who were uninsured.

Voters in 2002: Montana voters passed ballot Initiative I-146 which directed 32% of the State's tobacco master settlement funds for tobacco use prevention and 17% for the Children's Health Insurance Program (CHIP) and the Montana Comprehensive Health Association (MCHA).

Voters in 2004: In November, Montana voters again approved a statewide ballot initiative (I-149) to increase the State's tax on cigarettes by $1.70 per pack, with similar increases in the taxes levied on other tobacco products. The initiative sets aside 45% of the new tobacco tax revenue in a "Health and Medicaid" special revenue account that will be administered by DPHHS. I-149 requires that the money in the new account – estimated to be $38.4 million in fiscal year 2005 – may be used to fund expanded health care only in the following areas: (1) to increase the number of children enrolled in CHIP; (2) to establish a new needs-based prescription drug program for children, seniors, and chronically ill and disabled persons; (3) to increase Medicaid services and Medicaid provider rates; and (4) to establish a new program of State income tax credits for small businesses that provide employee health insurance.

Montana Department of Public Health and Human Services (DPHHS) in 2004: One of the Medicaid redesign proposals currently under consideration by the 2005 Montana Legislature gives DPHHS authority to pursue a Medicaid 1115 Health Insurance Flexibility and Accountability (HIFA) Demonstration Waiver enabling the State to provide health care benefits to an estimated 4,000 low-income Montanans who do not currently have health insurance.

PROGRESS ON SPG PROGRAM FUNDED ACTIVITIES

Montana was awarded the initial State Planning Grant (SPG) from the Health Resources and Services Administration (HRSA) in the summer of 2002 to conduct data collection on Montana's uninsured. Until then, no details were known, except for health insurance status by age, income, and employer. The SPG data collection activities, both qualitative and quantitative; (1) described the characteristics of the uninsured, which contributed to a deeper understanding of how health insurance coverage varies among different population groups in Montana; (2) identified existing barriers preventing the uninsured from getting coverage; and (3) demonstrated how uninsured citizens' access to the health care system is affected.

28 A Report on Health Care Roundtable Community Discussions, February 2002, http://www.statecoverage.net/statereports/mt3.pdf

Montana's data collection activities included a household survey, an employer survey, 30 key informant interviews, and six focus groups. The household and employer surveys were developed in consultation with the State Health Access Data Assistance Center (SHADAC) at the University of Minnesota and the University of Montana's Bureau of Business and Economic Research. A key objective of the employer survey was to fill in knowledge gaps about Montana businesses offering health insurance to their employees. Focus groups were also conducted among four consumer groups and two employers groups by two professional qualitative data researchers from Montana State University-Billings and the University of Montana-Missoula. The consumer focus groups were geographically representative of rural and urban Montana. Interviews of the key informants included health care providers, clinic and hospital administrators, private businesses, farmer and rancher organizations, insurance companies and community leaders and advocates.

During the two years of the grant implementation, a 20-member State Planning Grant (SPG) Steering Committee comprised of a statewide cross section of key public and private stakeholders, including business and industry, minority populations, non-profit groups, health care delivery professionals, the health insurance sector, State agencies and consumers guided the development, implementation, and identification of policy recommendations. In addition, three work groups addressing data, safety net issues, and coverage options reviewed resources, analyzed data and identified feasible solutions.

The SPG Steering Committee developed an incremental strategic plan for implementing a variety of coverage options to provide affordable health insurance coverage and strengthen the health care safety net between 2004 and 2010. The strategic plan focused on expanding existing programs, maintaining public-private partnerships, and enacting legislation to maintain, as well as, create new programs to reduce the number of uninsured people in the State.

At the time the initial grant was completed, the State of Montana was facing severe budget problems. This affected the decision by the Steering Committee to identify recommendations without high fiscal impact. The recommendations for coverage options from the strategic plan were grouped in four categories and are summarized below:

<u>Proposal with No Significant Impact to the State of Montana</u>

- *University System:* Recommend the Commissioner of High Education, Board of Regents and the University/Community College system develop consistent internal policies and procedures to require proof of existing insurance or require students to purchase health insurance through the university system.
- *Health Literacy:* Educate the public in the benefits of health insurance coverage by promoting health literacy and the value of maintaining one's health.

<u>Proposal Requires New State Legislation and/or New State Dollars</u>

- *Safety Net Providers:* Recognize and support safety net providers as a vital component of the health care delivery system. Support recommendations to enhance their ability to operate throughout the State.
- *Heath Care Costs:* Explore the feasibility of reducing cost drivers.

- *Employer-Sponsored Coverage*: Pursue development of legislative proposals that encourage employer-sponsored health care.

Proposal Requires Legislation and/or a State Funding Mechanism

- *Enroll Children Currently Eligible for Public Programs:* Enroll children currently eligible for Medicaid and CHIP (at or below 150% of the FPL).
- *Expand CHIP:* Expand CHIP coverage for uninsured children up to 200% of the FPL in graduated increments.
- *Support the Montana Comprehensive Health Association (MCHA):* Maintain and increase the MCHA high-risk pool.

Proposal of Public Health Care Redesign

- *Address Enrollment Issues and promote outreach:* Identify individuals who are currently eligible for existing program, but who are not enrolled in Medicaid or CHIP. Continue collaboration with groups to enroll eligible Native Americans in CHIP and/or Medicaid.
- *Support Development of a Health Insurance Flexibility Act (HIFA) Waiver:* The waiver would allow expansion of health care coverage to uninsured Montanans on a graduated basis.

Within the State Planning Grant (SPG) report, each recommendation identified the target population, support and rationale for the recommendation, administrative issues, potential cost, funding sources, and implementation steps for each of the proposed coverage options.

The initial SPG efforts helped mobilize political consensus around the overall goal of increasing access to health insurance coverage. The 2005 Legislative Session, which convened in January 2005, is currently addressing the following proposals: (1) HB 2: Adds $6 million per year in new funding to expand the CHIP program; (2) HB 667: Creates a small business purchasing pool, employer tax credits, and employer premium incentive and employee premium assistance payments, appropriating $11.5 million dollars in new State funding for the coming biennium; (3) SB 110: Authorizes DPHHS to pursue a Medicaid Health Insurance Flexibility and Accountability (HIFA) Waiver which would provide a variety of healthcare benefit options to several groups of currently uninsured Montanans with family incomes that are less than 150% of the FPL; (4) SB 324: Creates new State prescription drug assistance and discount programs to assist Montanans with paying the high cost of prescription drugs; and (5) HB 552: Eliminates the Medicaid asset test for children from families with assets of less than $15,000.

Over the past decade, the most notable effort at increasing the number of Montanans with access to affordable health care is the comprehensive health coverage now available to almost 11,000 previously uninsured children through the CHIP program. The political and financial environments that influence the availability of health care in Montana appear to be changing. The activities and recommendations of the initial SPG and the State's effort to redesign Medicaid during 2003 and 2004 raised the visibility and gave attention to the uninsured and health care coverage and benefits.

The people of Montana are leading the way on this important issue. On three separate occasions over the past four years, Montanans have voted, overwhelmingly in favor of ballot initiatives that provide funding for increased availability and affordability of health care coverage. *(See pages 33-34)* The 2005 Montana Legislature is currently considering the five major pieces of legislation previously listed, that would provide tens of millions of dollars per year in additional state and federal funding to increase the provide critically needed health care services. Additionally, important agenda items for the new administration under Governor Schweitzer include expanding access to high quality health care, increasing the availability of affordable prescription drugs, and reducing the number of Montanans without insurance.

Opportunities to expand access to health care that come as a result of the 2005 Legislative Session must be acted upon with urgency. The current legislative proposals involve expansion, testing, and implementing new exciting ways of providing expanded access to health care and none of these have been tried before in Montana. In order to successfully implement each of the new programs and benefit options, additional resources are necessary to assess, analyze, and understand thoroughly the direct and indirect impacts of the new health care initiatives. It is imperative that Montana be in a position to devote the additional resources required to conduct a comprehensive assessment and analysis of the impact of any new health care funding for is authorized by the 2005 Legislature. A continuation SPG would provide the vehicle for carrying out this important work.

STATEMENT OF PROJECT GOALS

The over-all goal of the Limited Competition Planning Grant project is to present plans for providing access to health care insurance to all uninsured citizens of Montana. This will be accomplished through the timely completion of the following specific goals:

Goal 1: Reconvene a State Planning Grant Project Team and Advisory Committee to oversee project development and future implementation. *(See pages 47-48)*

a. Establish the Project Management Resources (PMR) within the Department of Public Health and Human Services (DPHHS) to lead this project and create collaboration with the Governor's Office, State Auditor's Office, Legislative Leadership, the Department of Labor and Industry, the State Planning Grant Advisory Committee, and other key stakeholders.

b. Provide nominations for the Advisory Committee of approximately 20 people for consideration and appointment by the Governor through DPHHS, in collaboration with the State Auditor's Office, Legislative Leadership and the Department of Labor and Industry.

c. Hold bi-monthly meetings at during the grant year to oversee project development and implementation

Goal 2: Update and re-evaluate data collected on the status of health insurance coverage from Montana's initial State Planning Grant and create a sustainable source of information to enhance the State's knowledge of the uninsured. *(See pages 48-49)*

a. Update and regularly collect information, at least every three years, on the health insurance status of Montanans using Montana's on-going Behavior Risk Factor Surveillance System (BRFSS).

b. Conduct a follow-up survey of employers who responded to the 2003 Montana Business Insurance Survey as part of the initial SPG to create a longitudinal dataset to measure change over time.

c. Collect information on employer-based health insurance on a regular basis, at least every three years, through the Department of Labor and Industry's on-going Montana Employee Benefits Survey to address specific employer subpopulation categories and insurance/policy concerns.

Goal 3: Conduct a comprehensive and coordinated assessment and analysis of the impact of specific initiatives to expand access to health care coverage that have been implemented since the initial State Planning Grant. *(See pages 49-51)*

a. Assess the status and impact in the State of the four sets of recommendations made as part of the initial State Planning Grant.

b. Analyze the impact of the five policy efforts to increase access to health care coverage that have been initiated by the 2005 Montana Legislature, including those initiated by the Executive Branch as part of the Medicaid Redesign effort.

c. Analyze the impact of three recent voter-passed initiatives aimed at increasing access to health care coverage.

d. Create an inventory of successful recent initiatives that have been implemented by other rural states to expand access to health care coverage.

Goal 4: The State Planning Grant Advisory Committee will create a comprehensive plan with specific short- and long-term actions that will lead to accessibility of affordable high quality health care coverage for all Montanans by the Year 2012. *(See pages 51-52)*

a. The Advisory Committee will consider all of the data and information compiled and analyzed as described above in goals 2 and 3 as it prepares the Plan.
b. The Advisory Committee will provide opportunities for the public to comment on the proposed content of the Plan.
c. The Plan will include actions that strengthen the relationship and improve coordination between public and private health insurance in providing coverage to Montanans with incomes under 200% of the Federal Poverty Level.
d. The Plan will include the Advisory Committee's recommendations to improve State programs, policies, statutes and regulations to:

1) Assist small employers in accessing affordable health care coverage for their workers;

2) Encourage access for low-wage workers, those who work for small employers, and for the self-employed;

3) Modify or expand publicly-funded programs;

4) Improve access to affordable prescription drugs; and

5) Define other options that increase access to health coverage.

Montana's project goals directly support the SPG goal of encouraging states to provide access to affordable health care coverage for all citizens. This funding will provide the resources needed to develop a sustainable system to continuously monitor the health insurance status of Montanans and the status of employer-based health insurance and to evaluate the results of the policies and programs the State implements to expand coverage. It will also allow the State to analyze the impact of recent initiatives to expand coverage both in Montana and help other rural states across the country. Finally, the State will reconvene an advisory committee of key stakeholders in this issue that is equipped with accurate data and a thorough analysis of current policies and programs provided through the initial SPG. This committee will develop a comprehensive plan and sustainable process to assure access for all Montanans by the Year 2012.

PROJECT DESCRIPTION

A. Detailed Project Narrative

Montana's continuation SPG would endeavor to build upon past State planning grant successes to create sustainable efforts to promote the use of evidence-based health insurance policy and programs. Project Goal 2 describes Montana's basic strategies for creating on-going, sustainable sources of population-based health insurance data.

Montana proposes to work with the Montana Behavioral Risk Factor Surveillance System (BRFSS). Since 1984, Montana has successfully collaborated with Centers of Disease Control (CDC) and continues to provide information from BRFSS about Montana adults aged 18 and older, including their health and health risk behaviors. Specific to this project, the BRFSS staff will develop a module for State-added questions on health care access and utilization, and a more refined employment status module, with the possibly of adding a child selection module to obtain information about children throughout Montana. This data source will allow Montanans to give self-reported information about such things as their employment, insurance needs, health status, health care, and other issues to be identified, and identify trends in prevalence estimates over time. Montana's current BRFSS survey in 2005 has a sample size of 5000 and oversamples counties with Native Indian reservations, as well as Montana's largest Metropolitan Statistical Area (MSA) (Yellowstone/Carbon counties), in order to present more meaningful information about Montana's disparate populations, including racial differences, urban-rural differences and regional characteristics.

The second aspect of Montana data collection efforts will focus on employer-based issues. To assess changes over time with regard to insurance policies, Montana employers who completed the first round of surveys under the initial SPG will be called for a follow-up interview. The Department of Public Health and Human Services (DPHHS) will again contract with the University of Montana (UM) School of Business Administration's Bureau of Business and Economic Analysis (BBER) to conduct this survey *(See the UM Proposal in Appendix B).* The UM BBER proposes to complete 520 interviews with previous employer respondents, creating a longitudinal dataset. The BBER will analyze the employer data and provide a report to the Department of Public Health and Human Services.

The third aspect of Montana's data collection efforts will attempt to create a sustainable source of information on employer-based benefits. The Montana Employee Benefits Survey administered by the Department of Labor and Industry (DOLI), as part of a national employee benefits pilot project, will be modified to provide more focused in-depth data on specific employer subpopulation categories and insurance/policy concerns. The sample size will be sufficient to obtain at least 500 completed interviews. This work will be accomplished by the UM BBER, DPHHS and the DOLI, and we anticipate repeating the data collection every 3 years.

The results of this new wave of data collection and analysis along with the results of previous data collection efforts will be evaluated and used to provide a data-driven demographic picture of who the uninsured are and why they are without health insurance coverage.

Much has happened in Montana and across the country since the initial SPG to improve efforts to provide access for quality health care to the uninsured. This is evidenced in Montana by the numerous initiatives before the legislature. Project Goal 3 is to conduct and coordinate a comprehensive assessment and analysis of the impact of the specific initiatives to expand access to health care coverage that have been implemented since the initial SPG, specifically: (1) the initial SPG recommendations; (2) policy efforts to increase access to health care coverage initiated by the 2005 Montana Legislature; (3) three recent voter-passed initiatives; (4) successful initiatives implemented by other rural states. The initiatives to be assessed are described below and followed by a description of the proposed grant activities to conduct this assessment.

1) Recommendations from the Initial SPG

In August of 2004, the Department of Public Health and Human Services published the "*Montana Strategic Plan to Provide More Affordable Health Care Coverage – Summary of the Montana State Planning Grant Recommendations.*" The plan outlined 11 specific recommended actions. Some recommendations could be implemented with little impact to the state's budget and others would require legislative and/or budget changes.[29] These recommendations were available to decision-makers during the development of the 2005-2006 biennial budget development, and to legislators as they began deliberations in Montana's 59th legislative assembly.

2) Policy Efforts To Increase Access To Health Care Coverage Initiated by the 2005 Montana Legislature

Montana proposes to use funding from the grant to complete a comprehensive and coordinated analysis of the impact of each of the major health care proposals that receives final approval from the 2005 legislature. The five proposals that are likely to be approved include:

- House Bill 2: CHIP Expansion – HB 2 is a biennial state appropriations bill that would expand funding to CHIP

  Projected Impact of HB 2: HB 2 adds over $5 million per year in state and federal funds to DPHHS budget to expand CHIP. The expansion will mean that each year an estimated 3,000 Montana children who would otherwise be uninsured will have health care benefits.

  House Bill 667: Creates Small Business Purchasing Pool, Employer Tax Credits, and Employer Premium Incentive and Employee Premium Assistance Payments - HB 667

29 "Montana Strategic Plan to Provide More Affordable Health Care Coverage – Summary of the Montana State Planning Grant Recommendations," a publication from the Department of Public Health and Human Services, 2004

appropriates new state funding for the coming biennium; 40% is earmarked to pay for refundable state income tax credits to employers who currently pay some or all of the cost of group health insurance for their employees. In order to be eligible for the HB 667 premium incentive and assistance payments, the employer must not have offered employee health insurance in the past, but must begin to do so either through the new Montana Health Insurance Purchasing Pool created by HB 667, or through a qualified "Association Plan." The bill also gives DPHHS the authority to pursue a Medicaid 1115 Demonstration Waiver, similar to the one that currently enables Massachusetts to operate the Insurance Partnership: a program that provides Medicaid funding for certain employer premium incentive and employee premium assistance payments.

Projected Impact of HB 667: In addition to creating the Montana Health Insurance Purchasing Pool, HB 667 provides $17.5 million in additional funding over the coming biennium to pay the cost of employer tax credits and employer premium incentive and employee premium assistance payments. It is difficult to estimate the precise number of employers, employees and employee dependents impacted by HB 667

- Senate Bill 110: Authorizes DPHHS to Pursue a Medicaid Health Insurance Flexibility and Accountability Waiver (HIFA) – SB 110 authorizes DPHHS to pursue a Medicaid 1115 Demonstration Waiver in accordance with the federal HIFA waiver guidelines. Among the groups targeted for coverage are: low-income adults who have a severe and disabling mental illness who are currently ineligible for Medicaid; uninsured working parents of children who are enrolled in Medicaid; children who are currently eligible for CHIP but are not enrolled, due to a lack of state and federal funding; and seriously emotionally disturbed youth ages 18 through 20 who were Medicaid eligible as children, but are currently ineligible for Medicaid as adults. The children served under the waiver would receive a health care benefit package identical to, or the equivalent of, the one offered through Montana's existing CHIP program.

  Adults served under the waiver would be given a choice between the following three benefits: (1) Employer Premium Assistance – receiving up to $166 per month to assist them with paying the cost of the monthly premium for group insurance if available through their employer; (2) Individual Premium Assistance – receiving up to $166 per month to assist with paying the premium for private individual health insurance; or (3) Medicaid Services Benefit – a health care benefit of $166 per month only to be used to purchase health care at the Medicaid fee-for-service rate where any unexpended monthly balance of the benefit will accumulate and be carried over to the following month, for as long as the person remains eligible and enrolled in the Medicaid 1115 Demonstration Waiver program. The 1115 Waiver will also provide Medicaid funded premium assistance to people with family incomes under 150% of the FPL who are insured though the Montana Comprehensive Health Association high risk pool. *SB 110 has been approved by the Montana Senate and is awaiting a hearing in the House of Representatives.*

  Projected Impact of SB 110: SB 110 provides almost $11 million dollars per year in additional federal funding to pay for a variety of health care services and benefits. Each year it would provide health care benefits to an estimated 4,500 Montana children and adults, who otherwise, would be uninsured.

- Senate Bill 324: Creates New State Prescription Drug Assistance and Discount Programs – SB 324 creates two new programs to assist Montanans with paying the high cost of

prescription drugs: the State Pharmacy Access Program and the State Prescription Drug Discount Program. The Drug Discount Program will allow Montanans with family incomes below 250% of the FPL, without public or private prescription drug coverage, to purchase their drugs at the same rate that Medicaid pays.

Projected Impact of SB 324: SB 324 appropriates almost $16 million state dollars over the coming biennium to the new State Pharmacy Assess Program to help, an estimated 20,000 Montanans per year, pay for prescription drugs.

- House Bill 552: Eliminates the Medicaid Asset Test for Children from Families with Assets of Less Than $15,000: HB 552 increases from $3,000 to $15,000 the maximum amount of the countable assets that families are allowed to have in order for their children to be determined to be eligible for Medicaid. DPHHS also believes that as many as 3,000 of these children could be currently enrolled in the state's CHIP program. Moving these children from CHIP to Medicaid will free up resources to serve additional children in CHIP.

  Projected Impact of HB 552: HB 552 increases the Medicaid budget by almost $7.7 million in state and federal funds (beginning in SFY 2007). Each year it will provide health care benefits to an estimated 4,000 Montana children who would otherwise be uninsured.

Compared to the occasional false starts and slow incremental progress that has characterized efforts to address this issue in the past, the collective potential for the current legislative proposals to significantly reduce the number of uninsured Montanans is striking. *Should all of the proposals become law as they are now structured, by the end of the coming biennium, they would allocate over $46.0 million per year in additional state and federal dollars to pay for some form of health care benefit or coverage for up to 40,000 Montanans, many of whom are currently uninsured!*

Note: The figure above includes the estimated 20,000 low-income Medicare recipients who will receive assistance paying the cost of the new Medicare Part D prescription drug benefit.

3) The Impact of Three Voter-Passed Initiatives

Since November of 2000, Montana voters overwhelmingly supported three ballot measures that sought to provide additional resources for the uninsured. The first, a Constitutional Initiative (C-35), required the legislature to dedicate no less than 40% of tobacco settlement money to a permanent tobacco trust fund beginning on January 1, 2001. 73% of Montana voters approved the measure in November of 2000. Under the new constitutional mandate, 90% of the interest from the tobacco trust fund would be spent to provide health care benefits, services and education programs, including tobacco disease prevention. In Fiscal Year 2001, the amount appropriated to a special revenue account for this purpose was $98,519. A citizen driven initiative, I-146, sought to increase the amount of tobacco settlement revenue dedicated directly to health care needs; that number increased to $1,015,407.

That initiative passed in November of 2002 by a margin of 65% - 35%, and was further clarified by the 2003 legislative session in Senate Bill 485. Under the new law, Montana's tobacco settlement money is now distributed as follows:

40%	Tobacco Trust Fund
32%	Tobacco Prevention and Human Service Programs
17%	Children's Health Insurance Program (CHIP), Comprehensive Health Association Programs

	and Medicaid Matching Funds
11%	State General Fund

This new statutory allocation has made available significant resources to enable Montana to fund health services.

In 2004, voters expanded this ability by passing another citizen initiated ballot issue, I-149, which increased taxes on the sale of tobacco products. Passed by a 63%-37% margin, I-149 is estimated to raise $38,400,000 in fiscal year 2005 for new health insurance and Medicaid initiatives by increasing taxes to $1.70 per pack of cigarettes, to 85 cents per ounce of moist snuff, and 50% on all other tobacco products.

The initiative also creates a new health-related state fund to receive 44 percent of the tax payout. The fund would benefit four areas: the Children's Health Insurance Program (CHIP); prescription drugs for senior citizens and the needy; Medicare reimbursements; and insurance coverage for small businesses. Allocation of these additional resources has been central to conversations during the 2005 Legislature in its work to finalize the content of measures that would increase health coverage for Montana's uninsured.

4) Successful Initiatives of other Rural States

Learning from the experiences of similarly situated rural states can be an important part of speeding-up the policy review and implementation process. This grant proposes to create an inventory of successful recent initiatives that have been implemented by other rural states to expand health care coverage. Numerous vehicles exist for the effective pursuit of this information. Sources such as the Health Policy Studies Division of the National Governor's Association Center for Best Practices, as well as the State Health Access Data Assistance Center (SHADAC) at the School of Public Health, University of Minnesota will be consulted for technical assistance, data and analysis, and best practices.

In 2003, Montana was one of 26 places across America to be involved as a "target" location for "Cover the Uninsured Week," sponsored by the Robert Wood Johnson Foundation. Since that time, Montana has remained active in sharing and reviewing information compiled and distributed through email alerts and the continuing web site www.covertheuninsuredweek.org.

This proposal will also utilize national and regional associations in which Montana State Planning Grant (SPG) leaders like Governor Schweitzer, Auditor Morrison and others are active to seek-out and compile success stories that might be applicable to Montana.

Lastly, Montana's active participation in the National Conference of State Legislatures (NCSL) will offer access to significant information about legislative initiatives across the country.

Montana proposes to create an inventory of successful initiatives from other, similar states for consideration by the SPG Advisory Committee as it creates a comprehensive plan to for high quality, affordable health care coverage for all Montanans by the Year 2012.

The proposed assessment of these initiatives and programs will be done in cooperation with the state government agencies and offices responsible for implementation, including: Department of Public Health and Human Services, the State Auditor's Office, and the Montana Department of Revenue. The resources from the grant will be used to collect, compile and summarize the data and information necessary address these and any other relevant policy issues or questions: (1)

intended impact of initiative; (2) targets of initiatives; (3) demographic characteristics of Montanans impacted; (4) program user satisfaction; (5) factors affecting program clients decision-making; (6) eligibility factors and requirements; (7) identified problems in implementation; (8) barriers to implementation; (9) efficient and effective use of funds; and (10) features of the program to be retained, modified, and / or expanded.

All of these initiatives and programs will be evaluated according to their ability to meet the desired program goal of providing access to affordable and adequate health insurance coverage to all Montana citizens. Access will be defined as the opportunity to purchase health insurance coverage or participate in a program that provides adequate benefits at an affordable cost. Adequacy of benefits will be determined by comparing the plan to the scope of benefits offered under the Federal Employees Health Benefit Plan, Medicaid, State Employees Benefit Plan or other similar quality benchmarks. Affordability will be defined through a method of cost sharing based on the individual's income level and applying a sliding scale related to income or by other cost sharing methods such as an out-of-pocket limit.

The Grant Director, with consultation from the State Health Access Data Assistance Center (SHADAC) at the School of Public Health, University of Minnesota *(see proposal in Appendix B)*, members of the State Planning Grant Project Team and the Advisory Committee will identify the data collection strategies to develop, implement, compile and analyze the information that will include, but not be limited to:

1) Identifying the relevant information that can reasonably be collected as part of the formal application process for the various programs or initiatives; and working with the agencies responsible for administering them to ensure that the pertinent information is included in each program application;

2) Identifying and collecting any additional data and information through voluntary client or program user surveys at the time of application. This data collection may not be feasible or appropriate as part of the formal program application;

3) Identifying the data to be collected as part of a mail and/or telephone survey of people who: enrolled in, applied for and were denied, requested information, or applied for and chose not to enroll in a program or service.

4) Conducting personal interviews with key informants such as state employees or contractors charged with administering and implementing each of the new or expanded programs, and key private sector leaders, health care policymakers, and the executive and legislative branches of government. The interviews will gather specific information regarding the status, and issues associated with the implementation of the new services and programs.

SHADAC will assist with the design of methods and tools to assess and evaluate the quality and merits of the policy initiatives and programs described above in 1, 2 and 3. Further, they will monitor the data collection process and assist in the analysis and reporting of the information collected. SHADAC will inventory states similar to Montana that have been more successful in assuring access to health care coverage. SHADAC will facilitate exchange of information with them, as well as developing a plan for on-going collaboration with these states.

The BRFSS Project Director served on the initial State Planning Grant Data Advisory Team, is the administrator of the Multi-State Integrated Database (MSID) data for Montana, and will

again serve on the SPG Project Team as the leader on data collection and analysis. Drawing from successful performance of the initial SPG, this project will again contract services with the University of Montana's (UM) Bureau of Business and Economic Research (BBRE) for their assistance in creating data collection strategies and analyzing data for improving the State's evidence-based policy decisions and reforms. The project will also continue to use the services of the State Health Access Data Assistance Center (SHADAC) at the University of Minnesota SHADAC will provide, targeted policy analysis and technical assistance in the development of a detailed strategy and plan, and monitoring of the data collection process.

Montana also continues to participate in the SPG **Multi-State Integrated Database (MSID)** managed by the Arkansas Center for Health Improvement (UAMS). Participation in this project allows the State access to a web-based software program that will provide State-specific national data including the Montana Behavioral Risk Factor Surveillance System (BRFSS), the Current Population Survey, and the County Business Pattern Census. Access to such a comprehensive database will enhance and inform policy makers about coverage options, improve Montana's grant planning processes, and demonstrate best and promising practices from around the country.

Consideration from the SPG Advisory committee will include recommendations to improve State programs, policies, statutes and regulations as described in the following section.

Project Goal 4 is to create a comprehensive plan to provide affordable, high quality health care coverage to all Montanans by the Year 2012. The specific short- and long-term actions that will lead to this will necessarily encompass a variety of policy options. Policy options that expand employer-based coverage and that strengthen the relationship between public health private health insurance will be a major part of Montana's strategy to increase coverage. Strategies to help employees gain access to coverage offered by employers, and strategies to help employers offer coverage to their employees will have a significant impact on the insurance rate. Special emphasis will be paid to Montana's small businesses and the self-employed because they are less likely to provide insurance and most likely to be influenced by health insurance premium increases. As described above, consideration will be given to improvements and expansions that can be made in publicly-funded programs.

Many policy options considered for improvement are examples of specific programmatic and policy areas, issues or questions related directly to the proposals now before the legislature and are likely to be the subject of more detailed review and analysis as the part of the activities of the grant. These include:

- Prescription Drugs Cost and Access: The subject of ensuring affordable access to prescription drugs for senior citizens and others will remain an important issue for the foreseeable future. It will be critical that policymakers understand the impact and interaction of the Medicare Part D Prescription Drug Benefit and the State Pharmacy Access Program created by SB 324 to make meaningful recommendations about what other actions Montana might take to increase access to prescription drugs. By identifying gaps in coverage presented by new state and federal prescription drug benefit programs, decisions can be made about what to do next.
- Supporting and Strengthening Employer-based Insurance: Two of the proposals before the legislature, HB 667 and SB 110, include provisions to provide financial assistance to employers and employees in order to strengthen and increase availability, and affordability, of employer-based insurance. It is critical to have a clear understanding of the impact of new

policy initiatives such as employer tax credits, employer premium incentive payments, and employee premium assistance payments, as the State contemplates potential ways to expand access to employer-based insurance in the future.

- Insuring People Who Are Self-Employed: Small businesses are fundamental to Montana's economy. The intent of the new small business purchasing pool, employer tax credits and other payments created by HB 667 encourages and assists small businesses in providing affordable health insurance to their employees. There are other issues related to the goal of providing small businesses with reasonable access to health care that should be addressed, such as what can be done to improve access for those people who are self-employed. The benefits in HB 667, including participation in the small business purchasing pool, are currently limited only to employers with between two and fifty employees. Should eligibility be expanded to include people who are self-employed? What other steps could Montana take to enhance the ability of all small businesses, including the self-employed, secure high quality affordable health insurance?
- The Role of CHIP and Medicaid: As Medicaid and CHIP continue to be the main sources of public funds to pay for health care services to people of low-incomes, the exact nature and scope of the benefits continue to evolve. For example, should families with children who are enrolled in CHIP be offered the option to receive assistance with paying the monthly premiums for group health insurance available through a parent's employer as an alternative to the existing CHIP benefit coverage? Given the federal government's apparent willingness to provide states with greater flexibility to tailor their benefits to meet each state's unique needs, the role that Medicaid and CHIP should play in meeting the health care needs of low-income Montanans will clearly be an issue to be addressed by the SPG.
- The Future Role and Impact of Limited Benefits Plans: SB 110 offers some groups of currently uninsured low-income adults the choice between several new benefit packages; including the option to receive a fixed monthly Medicaid Health Care Benefit, with the ability to carry forward, and accumulate a larger benefit balance over time of any unexpended portion of each month's benefit. The future role and effectiveness in Montana for public and private limited benefit plans, such as this one, is likely to be the subject of a great deal of dialogue and debate in the next few years. Assessing and analyzing the impact of each of the new service options and their potential for duplication will provide a factual basis for these discussions.

Information from the new data collection efforts combined with the previous round of data collection and policy analysis will provide a comprehensive view of the uninsured and help policy makers better understand the problems of the uninsured. In the past, lack of complete data and limited analysis of these data may have led some policy-makers to arrive at wrong conclusions about strategies to address the uninsured. There is a common misperception that most of the uninsured are unemployed. In fact, of those who are uninsured, 77% are employed, or the head of household is employed; of these people, 60% are self-employed, or employed by firms with less than 10 employees.[30] A comprehensive data set may help to dispel some of the myths about Montana's uninsured. Improving the completeness and accuracy of data regarding the uninsured will boost the confidence of policy makers and increase the support of the public and private sectors in participating in the planning process and becoming part of the solution

30 Household Survey and Employer Survey Findings about Health Insurance Coverage in Montana, February 2004

The Advisory Committee will carefully consider the data presented from data collection activities on the uninsured and employer-based health insurance. Additionally, the Committee will analyze, debate, and make recommendations on current programs and policies influencing access to health care coverage. These data and information will be used to develop a strategic Health Care Coverage Plan for the Year 2012 and a process for analyzing coverage planning into the future.

A final goal of this project is the creation of a comprehensive plan with specific short- and long-term actions will lead to accessibility and affordability of high quality health care coverage for all Montanans by the year 2012. The State Planning Grant (SPG) Advisory Committee will consider all of the data and information compiled and analyzed as described above as it prepares the Plan. The Committee will provide opportunities for the public to comment on the proposed content. The Plan will include actions that strengthen the relationship and improve coordination between public and private health insurance in providing coverage to Montanans with incomes under 200% of the Federal Poverty Level.

A final report describing grant activities and findings will be submitted to the Health and Human Services (HSS) Secretary.

B. Project Management Plan

PROJECT GOAL 1: RECONVENE A STATE PLANNING GRANT PROJECT TEAM AND ADVISORY COMMITTEE TO OVERSEE PROJECT DEVELOPMENT AND FUTURE IMPLEMENTATION.

Action Step 1: Establish the project management resources within the Department of Public Health and Human Services (DPHHS) to lead this project and create collaboration with the Governor's Office, State Auditor's Office, Legislative Leadership, the Department of Labor and Industry, the State Planning Grant Advisory Committee, and other key stakeholders.

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
Contract with Grant Director Maggie Bullock	9/1/05	DPHHS Project Liaison Jane Smilie	Signed contract	Review of contract performance expectations by DPHHS Project Liaison and Grant Coordinator
Hire Administrative Assistant through Express Temporary Services	9/15/05	DPHHS Project Liaison and Grant Director	Administrative Assistant hired and working	Review of performance expectations by Grant Director
Establish the SPG Project Team	10/1/05	Grant Director and DPHHS Project Liaison	Appointment of Project members	Balanced and representative of key state agencies, programs, services
Attend quarterly grantee meetings	9/1/05 – 8/31/06	Grant Director with DPHHS Project Liaison, Project Team or Advisory Committee members as needed	Sharing of information with other state and federal partners, serve as resource to other grantees	100% attendance, available for presentations and participation at grantee meetings
Submission of all required reports, including consolidated national report, as directed by Project Officer	9/1/05 – 8/31/06	Grant Director and DPHHS Project Liaison	Meet and exceed HRSA grant requirements	100% accurate and timely submission
Serve as resource to other state grantees	9/1/05 – 8/31/06	Grant Director and DPHHS Project Liaison	Provide easy access for other states	Available for phone or email consultation within 48 hours of request

Action Step 2: Provide nominations for the Advisory Committee of approximately 20 people for consideration and appointment by the Governor through DPHHS, in collaboration with the State Auditor's Office, Legislative Leadership and the Department of Labor and Industry.

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
Nominations provided to Governor's Office	10/1/05	DPHHS Project Liaison, Grant Director, State Auditor's Office Liaison, DOLI Liaison	List of nominations	List is balanced and representative of key stakeholders, state agencies, has geographic distribution
Advisory Committee appointed	10/15/05	Governor	Letters of appointment mailed	Advisory Committee in place with proper representation

Action Step 3: Hold bi-monthly meetings during the grant year to oversee project development and implementation.

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
Develop meeting schedule with Advisory Committee/hold meetings	10/14/05 – 8/31/06	Grant Director	At least bi- monthly meetings with the first meeting scheduled by 11/1/05	Full attendance and participation (80%) at meetings
Develop and implement SPG communication and public education strategy	Develop-ed by 11/05, impleme nted through 9/31/06	Grant Director / Governor's, Auditor's and DPHHS Communication Directors	Creation of a plan of action for Advisory Committee communications, public education and awareness building	Check off list for stages of implementation. Monthly objectives and actions.

PROJECT GOAL 2: UPDATE AND RE-EVALUATE DATA COLLECTED ON THE STATUS OF HEALTH INSURANCE COVERAGE FROM MONTANA'S INITIAL STATE PLANNING GRANT AND CREATE A SUSTAINABLE SOURCE OF INFORMATION TO ENHANCE THE STATE'S KNOWLEDGE OF THE UNINSURED.

Action Step 4: Update and regularly collect information, at least every three years, on the health insurance status of Montanans using Montana's on-going Behavior Risk Factor Surveillance System (BRFSS).

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
Develop MT specific state-added health insurance coverage module to survey Montanans about health care coverage through the BRFSS	11/05	Grant Director and DPHHS Data Lead Joanne Oreskovich, input from SPG Advisory Committee	20-question module created	Module included in 2006 survey beginning 1/1/06 and every three years thereafter
ORC Macro contract modified to include health insurance module	12/31/05	DPHHS Data Lead	Signed Contract	Contract requirements and module reviewed with ORC Macro by Data Lead
BRFSS health care coverage data collected from 5,000 Montanans	1/1/05 – 12/31/06 to be repeated every three years	DPHHS Data Lead	On-going surveillance of health care coverage issues statewide	Initial data collection completed on schedule and budget, to be repeated every three years

Data analyzed and report published with initial 2006 BRFSS health care coverage data	Data available from CDC 6/1/07, analysis/ report by 10/1/07	DPHHS Data Lead	Dissemination of information on health care coverage among Montanans	Report on access to health care coverage in MT by 2006

Action Step 5: Conduct a follow-up survey of employers who responded to the 2003 Montana Business Insurance Survey as part of the initial SPG to create a longitudinal dataset to measure change over time.

Action Step 6: Collect information on employer-based health insurance on a regular basis, at least every three years, through the Department of Labor and Industry's on-going Montana Employee Benefits Survey to address specific employer subpopulation categories and insurance/policy concerns.

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
Develop and sign contract with UM for employer data collection and analysis (both follow-up survey and survey with DOLI)	10/1/05	DPHHS Project Liaison and Grant Director	Signed contract	Review of contract performance standards by Grant Director
Develop and sign memorandum of agreement (MOA) with DOLI to modify the Montana Employee Benefits Survey	10/1/05	DPHHS Project Liaison and Grant Director	Signed MOA	Review of MOA expectations by Grant Director and DOLI Liaison
Conduct follow-up of initial SPG employer survey	10/1/05 – 12/31/05	Dr. Seninger and BBER Team	MT specific employer-based health care coverage in MT, including a longitudinal dataset to identify temporal changes	Data collected on schedule and budget
Modify DOLI Employer Benefits Survey to ensure on-going surveillance of employer-based insurance and representation by various employer subgroups	10/1/05 – 10/31/05	BBER Team, DPHHS Data Lead, DOLI Liaison, with input from Project Team and Advisory Committee	Modified Employer Benefits Survey	Survey ready for use beginning 11/1/05
Conduct DOLI modified Employer Benefits Survey	11/1/05 – 12/31/05 to be repeated every three years	BBER Team	On-going surveillance of employer-based coverage and information about various employer subgroups	Initial data collection completed on schedule and budget, to be repeated every three years
Analyze data and produce report on employer-based health care coverage in MT	1/1/06-2/28/06	BBER Team	Dissemination of information about employer-based health care coverage	Written report and findings presented to Advisory Committee

PROJECT GOAL 3: CONDUCT A COMPREHENSIVE AND COORDINATED ASSESSMENT AND ANALYSIS OF THE IMPACT OF SPECIFIC INITIATIVES TO EXPAND ACCESS TO HEALTH CARE COVERAGE THAT HAVE BEEN IMPLEMENTED SINCE THE INITIAL STATE PLANNING GRANT.

Action Step 7: Assess the status and impact in the State of the four sets of recommendations made as part of the initial State Planning Grant.

Action Step 8: Analyze the impact of the five policy efforts to increase access to health care coverage that have been initiated by the 2005 MT Legislature, including those initiated by the Executive Branch as part of the Medicaid Redesign effort.

Action Step 9: Analyze the impact of three recent voter-passed initiatives aimed at increasing access to health care coverage.

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
Develop and sign contract with SHADAC for technical assistance and consultation in implementing Project Goals 3 and 4	10/1/05	DPHHS Project Liaison and Grant Director	Signed contract	Review of contract performance standards by Grant Director
Design and develop a comprehensive assessment plan with methods and tools to evaluate the impact of policies, programs and services that have resulted from the: 1) the initial SPG recommendations; 2) the 2005 Legislature; 3) voter-passed ballot initiatives	10/1/05 – 10/31/05	DPHHS Grant Director, SHADAC Team with input from Project Team and Advisory Committee	Largely dependent on actions of 2005 MT Legislature, may include evaluation strategies for: CHIP, Medicaid expansions; small employer purchasing pool; employer tax credits; employer/employee premium incentives and assistance; high risk pool expansion; state prescription drug assistance/discount programs *(see pages 40-43)*	Written tools, methods and assessment plan
Implement the assessment plan. Again, this will depend largely on the actions of the 2005 MT Legislature. A variety of data collection strategies will be needed: program clients and recipients through voluntary surveys or as part of the application process; key informant interviews with persons administering various programs, policies, services *(see pages44-45).*	11/1/05 – 1/31/06	SHADAC Team, DPHHS Grant Director working with State and other program/service delivery agencies	MT specific evaluation of recent efforts to increase access to health care coverage	Data collection completed on schedule and budget
Analyze data and produce report on the impact of recent initiatives to increase access to health care coverage in MT	2/1/06-3/31/06	SHADAC Team, Grant Director	Dissemination of information about recent efforts to increase health care coverage in MT	Written report and findings presented to Advisory Committee

Action Step 10: Create an inventory of successful recent initiatives that have been implemented by other rural states to expand access to health care coverage.

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
Research existing state and federal coverage policies and identify states similar to Montana that have been successful at increasing access to	10/1/05 – 10/31/05	SHADAC Team, Grant Director	Similar states identified	Written notification from SHADAC that similar states have been identified

health care coverage				
Facilitate teleconference for exchange of ideas and information between MT and identified states	11/1/05-11/31/05	SHADAC Team, DPHHS Project Team	Policy options generated for consideration of the Advisory Committee	Written minutes from at least two facilitated teleconferences
Develop a plan for on-going collaboration with identified states if deemed appropriate	11/31/05 – 9/30/06	SHADAC Team, DPHHS Project Team	Continued exchange of ideas and development of policy options for consideration by the Advisory Committee	Written minutes from continued discussions/meetings

PROJECT GOAL 4: THE STATE PLANNING GRANT ADVISORY COMMITTEE WILL CREATE A COMPREHENSIVE PLAN WITH SPECIFIC SHORT- AND LONG-TERM ACTIONS THAT WILL LEAD TO ACCESSIBILITY OF AFFORDABLE HIGH QUALITY HEALTH CARE COVERAGE FOR ALL MONTANANS BY THE YEAR 2012.

The Plan will include actions that strengthen the relationship and improve coordination between public and private health insurance in providing coverage to Montanans with incomes under 200% of the Federal Poverty and the Advisory Committee's recommendations to improve State programs, policies, statutes and regulations to: assist small employers in accessing affordable health care coverage for their workers; encourage access for low-wage workers, those who work for small employers, and for the self-employed; modify or expand publicly-funded programs; improve access to affordable prescription drugs; and define other options that increase access to health coverage.

Action Step 11: The Advisory Committee will consider all of the data and information compiled and analyzed as described above in goals 2 and 3 as it prepares the Plan.

Action Step 12: The Advisory Committee will provide opportunities for the public to comment on the proposed content of the Plan.

ACTIVITIES	TIME TABLE	RESPONSIBLE AGENCY OR PERSON	ANTICIPATED RESULTS	EVALUATION MEASUREMENT
All Advisory Committee meetings will include a public comment period	11/1/05 – 9/30/06	Grant Director	Generate awareness, stakeholder ownership	Attendance at location where meetings are held
Develop guiding principles and criteria for evaluating and prioritizing possible policy options for expanding health care coverage in Montana	11/1/05 – 1/1/05	Grant Director, Advisory Committee	Written guiding principles and evaluation criteria, Advisory Committee ownership	Advisory Committee approval of guiding principles and evaluation criteria
Present progress in completing and results of the data and information compiled and analyzed per Project Goals 2 and 3 at bi-monthly Advisory Committee meetings	11/1/05 – 3/31/06	Grant Director, BBER Team, SHADAC Team	On-going education and deliberation of the Advisory Committee	At least 80% attendance at meetings and positive written meeting evaluations
Provide technical assistance and facilitation as the Advisory Committee considers preliminary policy options	4/1/06-9/30/06	SHADAC Team	SHADAC guides the group discussion and provides expert advice	At least 80% attendance at meetings and positive written meeting evaluations
Based on the data and information collected and presented, draft preliminary policy options	4/1/06 – 5/1/06	Grant Director, SHADAC, Advisory Committee	Draft options form basis of Plan	Written draft policy options
Evaluate and prioritize draft policy options according to guiding principles and evaluation criteria, as	5/1/06-6/1/06	Grant Director, SHADAC, Advisory	Further refinement of draft policy options as basis of	Advisory Committee approval of draft policy options for inclusion in the

well as potential costs and impacts		Committee	Plan	Plan
Publicize opportunities for public comment on the Plan	6/15/06 – 7/1/06	Grant Director, News directors at New outlets, Public Information Officers	Utilize opportunity to convey findings of data, stakeholder ownership	News outlets across the state carry news items, publish 2 -3 op-ed pieces
Prepare draft Strategic Health Care Coverage Plan	6/1/06 – 6/30/06	Grant Director, SHADAC Team, Project Team, Advisory Committee review	First draft of plan to use for public comment	Advisory Committee approval of draft Plan
Conduct two public meetings with widely available interactive video conferencing capabilities across the state for the Advisory Committee to receive comment on their draft Plan	7/1/06 – 8/1/06	Grant Director, Advisory Committee	Create awareness and avenue for public comment, stakeholder ownership	Attendance at various meeting locations
Provide easily accessible opportunities for public comment via the DPHHS website	7/1/06- 8/1/06	Grant Director	Current information available and linked to and from other sites	Return of comments from online survey
Incorporate final changes based on public comment, finalize, print and disseminate the plan	8/1/06 – 8/15/06	Grant Director, SHADAC, Project Team	Final Strategic Plan Health Care Coverage Plan	Advisory Committee approval of final plan and positive evaluation of process
Press conference to release final Strategic Health Care Coverage Plan	8/22/06	Governor, DPHHS Director, Insurance Commissioner, DOLI Director	Public awareness of MT's Strategic Health Care Coverage Plan	News outlets across the state carry news items
Update and status presentations to key groups	8/22/06 on-going through 2007 MT Legislature	DPHHS Project, Liaison, Advisory Committee and Project Team	Informing key stakeholders and decision-makers of Plan strategies	Attendance at meetings. Number of meetings held.

GRANT MONITORING PLAN AND REPORTS TO THE DEPARTMENT

Evaluation and program monitoring will be integral parts of Montana's State Planning Grant (SPG) process. Data collection efforts in this grant cycle will allow Montana to determine if activities of the first SPG and other efforts to increase health care coverage contributed to implementation of policy and program changes to increase access and/or in actual increases in coverage. Montana will be able to quantitatively describe and compare statewide health care coverage characteristics in 2005 with data collected in 2003 as part of the initial SPG assessment. Further, in this grant cycle, Montana will develop on-going surveillance of health care coverage characteristics utilizing existing data collection mechanisms such as the Department of Labor and Industry's Montana Employee Benefits Survey and the DPHHS Behavior Risk Factor Surveillance System. *(See page 39)* This will allow Montana to continuously monitor and evaluate the results of its efforts to increase health care coverage over time, including the SPG, as well as monitoring progress toward accomplishing the key SPG-related Healthy People 2010 Initiative, with the following objectives in mind:

1.1 Increase the proportion of persons with health insurance.
1.4 Increase the proportion of persons who have a specific source of on-going care.
1.5 Increase the proportion of persons with a usual primary care provider.
1.6 Reduce the proportion of families that experience difficulties or delays in obtaining health care or do not receive needed care for one or more family members.

Continuous program monitoring is needed to ensure the project is managed properly, is on track, is within budget, and is mitigating project risks. DPHHS, as the SPG lead agency, will be responsible for the overall direction of grant activities. The grant will be carefully monitored by the DPHHS project liaison and the grant director to ensure that grant activities are implemented according to the project plan and expected outcomes. Accurate assessments, measurements, and ongoing evaluation of project results are critical to the project's success.

Anticipated results and timelines for each project activity have been identified in the project management matrix. To determine how successfully the overall project is being implemented, it will be necessary to compare actual outcomes to anticipated results. Outcome measures to determine success will include the following:

- Grant activities are accomplished as outlined in the project management matrix;
- Grant activities are accomplished within established timelines;
- Grant activities are accomplished within budget;
- Grant accomplishments compare to expected outcomes;
- Contractor performance expectations are met;
- Data collection and analysis is completed;
- Surveys and evaluation mechanisms are in place to evaluate specific program components and the overall plan.

The monitoring process will identify and provide a mechanism to report any activities that are behind or ahead, any unexpected delays, or any issues or problems that were encountered in accomplishing the activities. The process will include an evaluation of problem solutions and implications for future activities.

Minutes will be taken at every meeting to document action items and responsible individuals. Meeting participants will complete evaluations after each Advisory Committee meeting and other appropriate meetings to identify follow-up issues and ways to improve future meetings.

There will be regular meetings and conference calls between the grant director and the project work team to assess progress and identify compliance issues. Weekly calls between the grant director, project team and contractors will be conducted to assess progress and compliance with contract expectations. Contractors will also be required to provide monthly written status reports to DPHHS, the grant director and others as required. The status reports will identify the current status of worked performed, interim findings, estimated completion times can be for each project task, and difficulties or special problems so that remedies can be developed as soon as possible.

Montana is committed to work with Federal project staff and other grantees. The State is eager to contribute data and information about its efforts for the national program report and to learn from the experiences of other states and localities. As reflected in the budget, the State will

ensure participation by the grant coordinator and one other project team member at each quarterly grantee meeting in the Washington DC area. Montana will ensure project staff are available as a resource to other states as well. Sharing information among the states about health insurance trends, as well as data and policy analyses efforts, will assist Montana and others in developing best practice options for increasing access to health care coverage.

Data and information for the report to the Department of Health and Human Services (HHS) will meet all requirements and will be provided in the format specified by Federal program staff by September 30, 2006. The final report will include, but not be limited to, the following:

- Current data describing the health insurance status of Montanans;
- Current data describing the status of employer-based health insurance in Montana;
- A description of Montana's effort to develop an on-going surveillance system to monitor statewide health care coverage characteristics beyond the grant period;
- An analysis of the impact of recent initiatives to expand access to health care coverage in Montana including: implementation of the original SPG recommendations, legislation, ballot initiatives, public program expansions and changes, and other states' efforts;
- A full description of the process used by the SPG Advisory Committee to consider the data and information gathered by the SPG project work team and contractors and to develop recommendations for increasing health care coverage for Montanans;
- A copy of Montana's Strategic Health Care Coverage Plan for the Year 2012 that describes current statewide health care coverage characteristics and outlines policy recommendations of the SPG Advisory Committee to increase access to health care coverage; and
- A description of Montana's effort to develop an on-going process and to designate an entity responsible for continuing to pro-actively pursue policies and programs that will increase access to health care coverage for Montanans.

As in the past, grant coordinator Maggie Bullock will develop a system to track information for inclusion in the report to the Department throughout the grant period. She will prepare the report to the Department, gathering necessary information and documentation from SPG project team members, contractors, and the Advisory Committee. Dr. Joanne Oreskovich, the project's lead on data collection and analysis, will ensure all required data elements are provided in the report.

Montana has demonstrated its ability to meet SPG reporting requirements in its initial grant and to go beyond requirements as evidenced by its 2004 Strategic Plan to Provide More Affordable Health Care Coverage. DPHHS will comply with audit requirements of the Office of Management and Budget (OMB) Circular A-133, submit Payment Management System Quarterly Reports, submit a Financial Status Report (FSR) within 90 days of the end of the grant period, and submit all required reports to HRSA and HRSA contractors in a timely fashion, following the prescribed HRSA formats.

The Governor has designated the Montana Department of Public Health and Human Services (DPHHS) to serve as the lead agency to maintain overall direction and responsibility for project activities. The DPHHS Project Liaison Jane Smilie will be accountable and responsible for the overall project. DPHHS will contract with a Grant Director to manage and direct project

activities and make recommendations to the DPHHS Project Liaison and the SPG Advisory Committee. The Advisory Committee will include key public and private stakeholders who will provide strategic guidance and oversight to project activities. The Advisory Committee will provide final policy recommendations in a report to DPHHS, the Governor, the Insurance Commissioner and the Legislature.

After data has been collected and analyzed, the Advisory Committee will be fully briefed on the results of the data analysis, the impact of recent Montana policy initiatives and successful efforts to increase health care coverage in similar, rural states. With this information, the Advisory Committee will evaluate the findings and make formal recommendations based on this data.

An independent meeting facilitator will work with the Advisory Committee to review and approve the policy options to be included in a draft Health Care Coverage Plan for the Year 2012. Further, staff of the UM SHADAC will participate in Advisory Committee meetings during which recommendations are being formulated to provide technical assistance and expert guidance on policy and coverage issues. The draft Health Care Coverage Plan for the Year 2012 will describe the findings of the Advisory Committee and the approved implementation and coverage strategy and how these strategies will be implemented to most effectively provide health insurance coverage to all Montanans.

Once the Advisory Committee approves the draft Comprehensive Implementation and Coverage Strategy, it will be presented for public review and comment as described in Section 4.3. Comments from public review will be incorporated into a final Comprehensive Implementation and Coverage Strategy. The final Comprehensive Implementation and Coverage Strategy will provide the basis for preparing the final SPG report to the HHS Secretary. The final Comprehensive Implementation and Coverage Strategy will be presented to the Governor, Insurance Commissioner, the Legislature and all other interested parties.

Montana has a long and rich history of collaboration. Montana effectively built on that tradition of collaboration during the initial work on the Montana SPG and will proposes to continue this effective collaboration among public and private partners dedicated to expanding health insurance coverage. One of the major ways this will occur will be to continue to involve the public and key stakeholders through out the SPG process. Once again, the stakeholders will include those in government and in the business, health care, consumer and provider community who have been interested and participated in past and current efforts to expand access to affordable health care. The Advisory Committee will include these and other key stakeholders from the public and private sector. Members of the Advisory Committee will be carefully selected to provide a balance of different viewpoints and expertise on health insurance.

Recent legislative activities, based in part on SPG recommendations, has demonstrated the effectiveness of and commitment to a collaborative process of decision making on health care issues related to the problem of the uninsured. The Governor's office, legislative leaders, the Insurance Commissioner, Health Care Providers and business advocacy groups have come together to support legislation to reduce the number of uninsured; this process begins at a high level of positive collaborative activity.

Public education will be a crucial and ongoing part of the grant process. The Advisory Committee will play a key role in conducting a public-education campaign to include statewide public meetings and other public education strategies. The public meetings will provide an

opportunity for experts, public and private stakeholders and others to learn and provide input on the options being considered by the Advisory Committee to expand access to insurance coverage. Montana's Educational Telecommunications Network, METNET, will be used for public meetings to maximize public participation. METNET allows for two-way interactive meetings in over a dozen sites across the state.

In addition, the Grant Director, with assistance from the Project Team and Advisory Committee, will make presentations to other key groups including Legislative leadership, Chambers of Commerce, Professional Associations, local elected officials, Native Americans, consumer groups and other community and advocacy organizations. DPHHS will work closely with the Insurance Commissioner's Office and other executive branch agencies including the Departments of Commerce, Labor and Industry and Administration who have a stake in or can provide resources to deal with the issue.

Because review of legislative initiatives is an integral part of the grant's goals, and because the Legislature is responsible for the funding for health reform initiatives, the ongoing involvement of the legislative branch is essential. Legislators will serve on the Advisory Committee.

The Grant Director will make regular status presentations to the appropriate legislative committees. In addition to keeping the Executive and Legislative Branch of government informed and involved, formal communication will also take place with the private sector including business, the health care provider community, consumer groups and others.

Methods of communication will include public meetings, statewide media coverage, news releases and newsletters prepared and distributed on a regular basis. A special website originally developed under the original SPG will be maintained to include information about the continuing SPG work including dates of meetings, meeting minutes and other special events and significant findings developed throughout the grant process. Links to websites of DPHHS, the Governor, the official state site, HRSA, the Insurance Commissioner and others will be maintained to inform interested parties of the status of related health reform initiatives. At the outset of the project, the Department's Communication Officer and the Governor's Communication Director will assist the Grant Director in developing a comprehensive communications strategy.

Effectively communicating the results of the Montana's Strategic Health Care Coverage Plan for the Year 2012 will be critical to the success of the grant.

As noted above, a comprehensive communications strategy will be developed to ensure effective communications throughout the grant process. In disseminating the final recommendations of the Montana's Strategic Health Care Coverage Plan for the Year 2012, an aggressive implementation strategy is proposed that will include:

- METNET broadcast of two Advisory Committee meetings developing and announcing recommendations with opportunity for public comment;
- Press conference by Governor, DPHHS Director, Insurance Commissioner;
- Publication of Montana's Strategic Health Care Coverage Plan for the Year 2012 to be disseminated to all legislators and key stakeholders;
- Briefing to health care providers including: Montana Hospital Association, Montana Medical Association;
- Briefing to insurance providers (new offerings);

- Briefing to Accountants and Certified Public Accountants (Tax Credits);
- Statewide news outreach including op-ed placements, news stories and electronic media interviews;
- Inclusion on State Planning Grant (SPG) web-site of all recommendations and coverage options; and
- Use of stakeholder web-sites and electronic mail lists to provide links to SPG web-site.

As part of the SPG analysis, evaluation will include the extent and degree the Montana initiatives may be applicable in other states. This proposal to analyze the effectiveness of implemented policy will be transferable to states with similar financial and demographic circumstances.

Information about the extend and degree of transferability of these findings will be included in the Montana's Strategic Health Care Coverage Plan for the Year 2012 and a presentation will be developed for the Governor, Department Director and the Insurance Commissioner for presentation to national and regional groups of interest.

C. Governance

Governor Brian Schweitzer will provide political leadership and support to the continuation of Montana's State Planning Grant (SPG) to increase access to health care coverage. State Auditor and Insurance Commissioner John Morrison and the Department of Labor and Industry have signed on as co-collaborators in this effort, and legislative leaders have expressed their support and intention to participate in grant activities. *(See Letters of Support in Appendix C)*

The Governor has designated the Montana Department of Public Health and Human Services (DPHHS) to continue as the lead agency to maintain overall direction and responsibility for the project. As an umbrella agency, DPHHS is responsible for the administration of statewide health and human services. The agency has a long history of leadership in administering Medicaid, the Children's Health Insurance Program, public health, human service, mental health, substance abuse, aging, disability and child support enforcement services. DPHHS has led, staffed, and had representation on numerous health care advisory and policymaking councils and has been a leader in health care reform efforts at the state and national level.

The SPG will continue to be administered by the Public Health and Safety Division (PHSD), one of 10 divisions in DPHHS. *(See Organizational Chart in Appendix A)* The division provides the ideal, supportive environment to house the SPG, since it includes the HRSA-funded Office of Primary Care, whose mission is to increase access to primary care services, as well as a Health Planning Section that manages health data resources.

The DPHHS project liaison will be Jane Smilie, administrator of the PHSD. Ms. Smilie will be accountable and responsible for the overall project. She will manage and oversee the grant director. Maggie Bullock, who served as the project liaison for the initial State Planning Grant (SPG), will serve as grant director for the continuation of the project. She will manage and direct project activities and make recommendations to the DPHHS project liaison and the SPG Advisory Committee. Further, she will manage SPG contracts for data collection and analysis, actuarial studies, and policy analysis work. Contracts with University of Montana's Bureau of Business and Economic Research (BBER), and the Public Health and Safety Division from the State Health Access Data Assistance Center (SHADAC) at the University of Minnesota will be initiated for the data collection and data and policy analysis. Kelly Moorse, who served as grant

director during the first funding cycle of the SPG, is now a permanent employee of the DPHHS. She will work with the new project team and Advisory Council to provide continuity and continued forward progress with SPG activities. Montana will ramp up quickly to begin grant activities with no delay and has the capacity to complete them in a timely fashion.

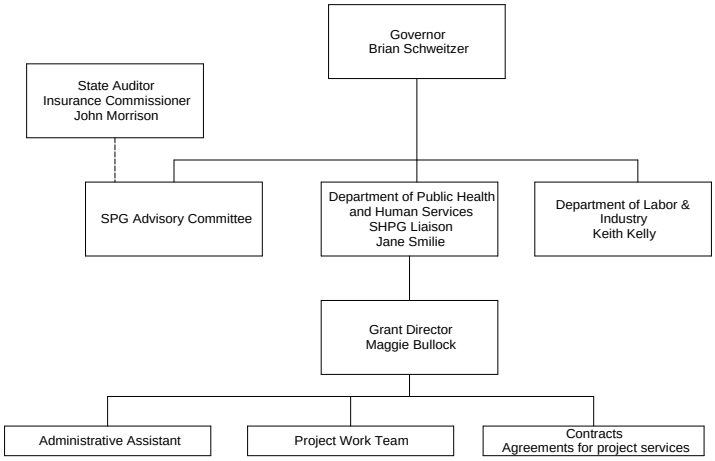
In collaboration with the State Auditor's Office, Department of Labor and Industry (DOLI), and Legislative Leadership, DPHHS will provide Advisory Committee nominations to the Governor for consideration and appointment. The Governor will appoint an Advisory Committee with broad representation from key public and private stakeholders, including health care consumers and providers, insurance companies, private business, safety net providers, local government, tribal government, community organizations, the university system, and state agencies dealing with health and insurance. The Governor's Health Policy Advisor Anna Whiting-Sorrell will play a key role in involving other executive branch staff as needs arise, and reporting to the Governor on the progress of project activities and major issues.

Co-chairpersons of the Advisory Committee will be from DPHHS and from the private sector. This will demonstrate the partnership between the public and private sector that is necessary to increase access to health care coverage in Montana, and in particular, employer-based coverage. Representation on the Advisory Committee will be balanced in terms of geography, race and gender, on behalf of the interests of consumers, providers, employers, and government. It will be important to utilize this variety of perspectives on increasing access and to reflect the political realities and challenges that will be confronted in reaching consensus on future coverage options.

The Advisory Committee will meet bi-monthly to provide strategic guidance and oversight to project activities. The Advisory Committee will carefully consider the data collected on the uninsured and employer-based health insurance, as well as the analysis of current programs and policies influencing access to health care coverage. These data and information will be used to develop a strategic Health Care Coverage Plan for the Year 2012. The Plan will include the Advisory Committee's final policy recommendations to DPHHS, the Governor, the Insurance Commissioner, and the Legislature. Advisory Committee members will volunteer their time but will be reimbursed for travel-related expenses.

The DPHHS project liaison and grant director will lead and select a multidisciplinary SPG Project Work Team to include staff from DPHHS, Governor's Office, Auditor's Office and DOLI. Attention will be paid to selecting team members with expertise in health care coverage issues and policy and in data collection and analysis, and who have been active in previous planning and advocacy issues related to health insurance coverage. This team will be responsible to assist the grant director and contractors in: (1) continuing to refine and create a sustainable source of data on the insurance status of Montanans, including employer-based insurance; (2) analyzing the impact of current policies and programs influencing access to health care coverage; and (3) developing and recommending possible policy options for consideration by the Advisory Committee. Work team members will attend Advisory Committee meetings and will prepare and present reports and findings, but will not be official Committee members.

Montana State Planning Grant Organizational Structure



Jane Smilie will serve as the Project Liaison for DPHHS and will be accountable and responsible for the overall project. As the current administrator of the Public Health and Safety Division (PHSD), one of 10 DPHHS divisions, she administers the state's public health programs. Ms. Smilie holds a Master's Degree in Public Health and has 24 years experience in Montana state government, with 15 years in the DPHHS. She has extensive experience managing large grants and projects, has served as a health service planner, and has worked with a wide variety of health care and public health providers and community-based organizations.

DPHHS will hire Maggie Bullock to serve as grant director. Ms. Bullock will manage and direct project activities and make recommendations to the DPHHS project liaison and the SPG Advisory Committee. She will be responsible for ensuring communication and collaboration with DPHHS, other State agencies, contractors, the Advisory Committee, project work team members, and other critical players in the public and private sector. She will work with the Advisory Committee and project work team to ensure grant activities are accomplished on a timely basis and within budget. She will also oversee the work of a contracted administrative assistant. As former administrator of the PHSD, Ms. Bullock was responsible for the administration of the statewide Medicaid, CHIP, and public health programs. Ms. Bullock has 35 years experience providing leadership in private and public human services. Twenty- seven of those years include working directly with or in community-based organizations in programmatic and administrative capacities. She has also served in teaching, advisory and consultative capacities to universities, colleges, boards of directors of community-based organizations and other public and private organizations.

Joanne Oreskovich, Ph.D., will serve as the project's lead on data collection and analysis. Dr. Oreskovich currently serves as the Health Planning Section Supervisor of the Public Health System Improvement and Preparedness Bureau in the Montana Department of Public Health and Human Services, which includes the Primary Care Office. She is also the Director of the Behavioral Risk Factor Surveillance System (BRFSS) and provides epidemiology support to a number of public health programs within the Public Health and Safety Division. Dr. Oreskovich served on the initial State Planning Grant Data Advisory Team, is the administrator of the Multi-State Integrated Database (MSID) data for Montana, and will again serve on the SPG Project Team as the leader on data collection and analysis. She received two B.A. degrees (1980) in cell

and molecular biology and pre-medical sciences, and in Sociology, and her M.A. degree in Sociology (1984) from the University of Montana, Missoula. Her Ph.D. in Sociology, with minor emphasis in Public Health (2001), is from the University of Minnesota, Minneapolis.

John Chappuis serves as deputy director of DPHHS. In this position, he is also the state's Medicaid director. Mr. Chappuis will provide leadership to this effort and ensure full cooperation among the various DPHHS divisions and programs that will be involved. In addition, Mr. Chappuis will ensure adequate resources are devoted for successful and timely implementation of all grant activities. John has more than 25 years with the state of Montana, serving in many leadership positions with health and human services. He holds a Bachelor's Degree in Accounting and has been a licensed Certified Public Accountant since 1981.

Kelly Moorse, who served as grant director during the first funding cycle of the SPG, is now a permanent employee of DPHHS and serves as its Long Term Care Ombudsperson. She will serve as a key SPG Project Team member to provide continuity and continued forward progress with SPG activities. Ms. Moorse has over 29 years experience in health care and project management. Her recent positions include Operations Director and Associate Executive Director of Magellan Behavioral Health Care, where she was responsible for the management of the statewide Managed Mental Health Contract, which covered over 70,000 individual lives. She has established positive working relationships with Montana providers and consumers throughout her long professional career. She has a Bachelor's Degree in Education and a Master's Degree in Theology and Communication.

Russ Hill is a will serve as a key member of the SPG Project Team, bringing a wealth of expertise on the health insurance industry. Russ is a member of the Office of Planning, Coordination and Analysis (OPCA) within DPHHS. The OPCA is part of the Director's office and will help to coordinate SPG activities among the different divisions in DPHHS, as well as provide analytical assistance. Mr. Hill has 12 years of progressive management responsibilities in health insurance, including serving as the executive in charge of two start-up managed care organizations. His formal education is in accounting and has worked in public accounting and auditing. In addition, he is a small business owner and knows first hand the daily struggles of operating a small business.

Administrative Assistant is a position to be hired through a temporary personnel service will be a vital link to the Grant Director and the Advisory Committee. This position will maintain all grant documentation; provide logistical support for all Advisory Committee and Project Team meetings, including travel arrangements, meeting rooms, meeting notices, minutes, as well as coordination of the communication strategy as it relates to public awareness. In addition, the position will provide general office management and secretarial services, including word processing and communication activities. This position will be a .5 FTE.

Steve Seninger, PhD is director of economic analysis for the Bureau of Business and Economic Research (BBER) and a professor in the Department of Management at The University of Montana-Missoula. Raised in the Midwest, with research and teaching experience at several major universities, he earned a Ph.D. in economics from Washington University in St. Louis. Professor Seninger is in charge of the health care research and evaluation studies of different health care programs. He is also director of the Montana KIDS COUNT program, a statewide effort to track and monitor the well-being of Montana's children. Dr. Seninger's published research covers a wide range of subjects, including health care, economic development, and

public policy issues. He has consulted and advised numerous government agencies and private corporations.

Lynn A. Blewett, PhD will be the Principal Investigator for the project. Dr. Blewett will be responsible for managing the project, providing expert consultation on all project tasks, participating in the Montana community meeting, and seeing that the deliverables are received on time. Dr. Blewett is an Associate Professor in the Division of Health Services Research and Policy at the University of Minnesota and is the Principal Investigator of The Robert Wood Johnson Foundation (RWJF) grant that established SHADAC. Prior to joining the faculty, Dr. Blewett was the State Health Economist and Director of the Health Economics Program for the Minnesota Department of Health where she was responsible for data collection, analysis and forecasting health care costs and trends.

Margaret Brown Good, PhD will serve as an Investigator for the project. Dr. Good will assist in the design of the evaluation measures, provide consultation on the additional items for Montana's BRFSS, and will provide guidance and direction to the Graduate Research Assistant. Dr. Good was an Assistant Professor in the Department of Public Policy at the University of Maryland, Baltimore County (UMBC) where she taught courses on the Politics of Health, Health Care Issues among Disadvantaged Populations, and a Practicum in Health Services Research. Prior to her graduate training, she worked in the Government and Social Policy Group of a survey research firm in Princeton, New Jersey.

Kelli Johnson, MBA will serve as the project coordinator for this project. Ms. Johnson has over 15 years of experience working in the state health policy arena and has an in-depth knowledge of government structures and political processes. Ms. Johnson will be responsible for managing the staff on the project and coordinating communication with SHADAC and project staff. .

As the largest agency in Montana state government with over 3,000 employees, the Department of Public Health and Human Services (DPHHS) has a wealth of resources on which to draw to fulfill the needs of the proposed project, including high quality facilities and experienced staff. With Montana's initial State Planning Grant (SPG), the agency demonstrated it has the personnel and management commitment to achieve project goals. The initial SPG was a highly successful, well-executed effort that involved key stakeholders in a meaningful process. This continuation grant will bring the same level of expertise, resources, and commitment to bear. Having previous DPHHS project liaison Maggie Bullock and previous grant coordinator Kelly Moorse, and continued involvement of numerous project work team members will ensure steady forward progress in Montana's effort to increase availability of health care coverage to all Montanans.

The proposed budget and detailed justification and a description of the budget and accounting process are located after Standard Form 424A in the application. The budget is reasonable for the project and supports the project management plan and program goals.

The Grant Director will be responsible for financial management of grant funds including responsibility for budget management and control and for monitoring project revenue and expenses. Budget and fiscal staff from the lead agency, DPHHS will provide technical assistance and oversight to the grant director. DPHHS will maintain a financial management system that operates in accordance with existing state and federal laws and regulations. The system will provide complete and accurate funds control and will have adequate internal controls to ensure that project funds are being properly expended and accounted for, and comply with audit

requirements of Office of Management and Budget (OMB) Circular A-133. Timely and efficient access to financial information about the grant will be provided upon request.

As identified in the matrix above, in-kind contributions to this project include the time and expertise of several of the project leadership. This includes the Project Liaison, Data Collection and Analysis Lead, Health Insurance Lead and former SPG Grant Director.

Grant funds will not be used to supplement or supplant other funding.

As a past grantee of the State Planning Grant, Montana has been a good steward of funds and managed those funds appropriately.

APPENDICES

Appendix A

Department of Public Health and Humans Services Organizational Chart

Appendix B:

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Appendix C:

Letter 2

Letter 3

Letter 4

Letter 5

Letter 6

THE MITCHELL GROUP

a strategic communications company

March 22, 2005

Robert Wynia, MD
Director
Montana Department of Public Health and Human Services
111 North Sanders
Helena, Montana 59620

Dear Dr. Wynia:

It has come to my attention that the Department of Public Health and Human Services in conjunction with the Montana Department of Labor and Industry, the Office of the Governor and the Montana Insurance Commissioner is applying for a grant from the United States Health and Resources Services Administration to continue the work done under the State Health Planning Grant.

With this letter, I would like to officially indicate my enthusiastic support for this important endeavor.

In 2003, I was asked by the Robert Wood Johnson Foundation to assist them in Montana with a new campaign they were launching called "Cover the Uninsured Week." Now in its third year, "Cover the Uninsured Week" is a national campaign that highlights the issues of the uninsured and provides a platform for the discussion of potential policy solutions. During that time, the State Health Planning Grant was delivering some of its findings and I had the opportunity to participate in a number of the meetings and to review in detail the results of that significant research.

Much of the work in my government relations business is done with partners across the country, a number of whom I worked with on "Cover the Uninsured Week." Because I had highlighted the work of the Montana State Health Planning Grant and because of the quality of the state specific findings, I have had a number of requests since that time from colleagues all across America for a copy of the Montana State Health Planning Grant findings and research.

Building on this work by further study of Montana's uninsured population and analysis of programs put in place to effectuate positive change in this regard will be an incredibly valuable endeavor that will make a real difference in our efforts to create and sustain public policy that provides access to affordable health insurance to currently uninsured Montanans.

As a small business owner, as a student of public policy, as someone intimately familiar with the issue of the uninsured and the specifics of the Montana State Health Planning Grant, I wholeheartedly support your grant application to continue the study of Montana's uninsured and trust you will not hesitate to call on me directly for any assistance I can provide you or the Department in this regard.

Sincerely yours,

DOUGLAS MITCHELL

FIFTY SOUTH PARK AVENUE . HELENA, MONTANA 59601
406.449.7303 FAX 406.449.7302